

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7219**

**BILL NUMBER:** SB 455

**DATE PREPARED:** Jan 8, 1999

**BILL AMENDED:**

**SUBJECT:** Distribution of highway funds.

**FISCAL ANALYST:** James Sperlik

**PHONE NUMBER:** 232-9866

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill changes the allocation of fuel tax revenue distributed from the Motor Vehicle Highway Account from 15% to 18% for cities and towns, 32% to 39% for counties, and 53% to 43% for the state.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** The current distribution formula for the Motor Vehicle Highway Account is: 53% to the Department of Transportation (INDOT), 32% to counties, and 15% to cities and towns. The provisions in this bill change the distribution to the following: 43% to the Department of Transportation, 39% to counties, and 18% to cities and towns. Below is a table which shows the impact of this proposal, based on fiscal year 1998 data:

<b><u>Entity</u></b>	<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>Difference</u></b>
INDOT	\$276,686,361	\$224,481,387	(\$52,204,974)
Counties	\$165,233,148	\$201,776,630	\$36,543,482
Cities and Towns	<u>\$77,907,758</u>	<u>\$93,569,250</u>	<u>\$15,561,492</u>
Total	\$519,827,267	\$519,827,267	\$0

INDOT would lose \$52.2 million in Motor Vehicle Highway Account distributions, while counties would gain \$36.5 million, and cities and towns would gain \$15.5 million in Motor Vehicle Highway Account distribution. The specific impact over time will depend upon the amount available for distribution from the Motor Vehicle Highway Account.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** See table in Explanation of State Revenues.

**State Agencies Affected:** Department of Transportation.

**Local Agencies Affected:** Cities, towns, and counties.

**Information Sources:** Auditor of State, 232-3309. Additional Information is Available from the Office of Fiscal and Management Analysis.